



# Protect Yourself from Investment Fraud

CALIFORNIA DEPARTMENT OF CORPORATIONS

# DEPARTMENT OF CORPORATIONS

State of California • Business, Transportation and Housing Agency



**THE DEPARTMENT OF CORPORATIONS** is California's Investment and Financing Authority. The Department protects California consumers by licensing and regulating individuals and companies that offer securities, investment advice, consumer finance loans, residential mortgage loans, and franchises. Through its enforcement activities, the Department prevents businesses and individuals from conducting unlicensed or fraudulent consumer transactions.

The Department of Corporations works collaboratively with other California State Departments (including Financial Institutions, Real Estate, Insurance, Veterans Affairs, and Consumer Affairs); federal agencies (including Securities and Exchange Commission, Federal Trade Commission, Department of Defense, and Department of Justice); local agencies (including Adult Protective Services, law enforcement, and District and City Attorneys); and other organizations.

## EDUCATION AND OUTREACH

The Department of Corporations and its partners teach Californians to "investigate before you invest" to help prevent devastating financial fraud and scams. Investor Education and Financial Literacy programs are also available to provide Californians with the tools they need to stop fraud before it happens.



### Seniors Against Investment Fraud (SAIF) Program

alerts and educates Californians over 50 about investment fraud, predatory lending, and how to avoid being victimized. SAIF utilizes a statewide network of trained senior volunteers from local Retired Senior Volunteer Programs (RSVPs) and other non-profit organizations. Contact us if you are interested in volunteering.



### California Troops Against Predatory Scams (TAP\$) Program

alerts and educates California's service members and their families about investment fraud, predatory lending, and how to avoid being victimized.

## CALIFORNIA DEPARTMENT OF CORPORATIONS

Toll-Free  
**1-866-ASK-CORP**  
(1-866-275-2677)

TTY  
**1-800-735-2922**

Website  
**[www.corp.ca.gov](http://www.corp.ca.gov)**

# Common Financial Scams



Seniors are prime targets for financial scams and fraud because they often have a “nest egg,” own their home, have excellent credit, and are perceived as open and trusting. Check with the California Department of Corporations to verify the legitimacy of salespeople and companies before you invest (see page 11). If you believe you have been victimized, immediately call local law enforcement and contact the California Department of Corporations to determine if you should also file a formal complaint.

## Affinity Marketing and Affinity Fraud

Affinity consists of mutual trust, friendship, and sympathy among people who share similar religious beliefs, ethnic background, language, culture, age, profession, or other characteristics. Don't automatically trust salespeople because they appear to share your background or interests, or advertise in your favorite magazines. Certain salespeople are even hired specifically to gain the trust of target groups. Once a salesperson gains your trust, he/she then promotes products or services that may be inappropriate for you, or worse, fraudulent.

Part of what makes affinity fraud so dangerous is the snowball effect. Once a group member or a respected community leader personally invests in a service or product, word spreads quickly, and more and more people trust the salesperson and become convinced that the product or investment is legitimate and worthwhile, even when it is not. Affinity fraud is typically perpetrated on a large scale, resulting in a devastated community and big payoffs for scamsters (until they get caught). Unfortunately, due to shame and embarrassment, affinity fraud is often not reported to the appropriate authorities.

## Bait and Switch Schemes

Be wary of enticing financial promises or spectacular profits that sound too good to be true, especially if a personal visit is required. During the visit, a salesperson may switch paperwork or try to persuade you to make a different investment — changes likely to be unsuitable and/or provide large commissions for the salesperson. Similar bait and switch tactics may also occur in real estate financing, personal loans, or other financial agreements.

## Bogus Credentials

Some salespersons try to create the impression they have special education or expertise in senior services and products. If credentials contain such words as “senior” or “elder” in conjunction with “certified” or “registered,” be cautious. For example, “RES” (standing for “Registered Elder Specialist”) is nothing more than a commercial gimmick. **Always** ask a salesperson to complete the **“Check Before You Invest”** form (see page 11).

## CDs with Bonus

Companies promise investors tantalizingly high rates of return on CDs (certificates of deposit) by including a bonus to attract investors, but then convince the person to buy a different product. Be wary — this is a classic “bait and switch” tactic.

## Charity Scams

After a well-publicized tragedy (such as a hurricane), con artists often try to take advantage of the generosity of others wanting to help. Be wary of any charitable solicitations for groups you don’t already know – whether door-to-door, by phone, mail, or e-mail. Be especially wary of invitations to invest in reconstruction bonds and any group using high-pressure marketing tactics. Verify that the charity is legitimate by contacting the IRS (see page 16).

## Foreign Letter Fraud

You receive a letter (or e-mail) from a foreign government, foreign “official,” or “widow,” asking for your help to move money out of the country. (These are sometimes referred to as “Nigerian Letters.”) Watch out! — this is a ploy to get cash or your personal account information.

## “FREE” Meals, Living Trusts, and Other Seminars

Seniors are often invited to receive free meals and hear about insurance, real estate, and other investment opportunities; financial planning; reverse mortgages; or wills and living trusts. Be wary — some so-called “experts” misrepresent their qualifications. Seminar salespeople may try to sell you unsuitable investments or try to convince you to replace your existing investments. They may also fail to disclose their fees and commissions or other pertinent information, making it difficult to accurately compare products and services. Worse, some events are just a ploy to obtain your personal and financial information.

**Always** have the presenters complete the **“Check Before You Invest”** form (see page 11), since California law requires they and their company be appropriately licensed to sell/offer the specific type of product or service. **DO NOT** do business with any person or company who is reluctant or refuses to fill out the form.

If you need to prepare or revise your will, living trust, or other estate or tax-related documents, be sure those documents comply with California law and suit your needs and desires for those you leave behind. While not legally required, you may prefer to utilize an attorney certified in estate planning to ensure the documents meet your needs and comply with California law. (See listing for State Bar of California, page 15.)

## Home Repair or “Furnace Fraud”

Door-to-door offers for “great deals” on yard work, roof repair, chimney sweeping, house painting, and appliance replacement, etc., are not always a bargain. The work may be incomplete or not up to code, and you may be charged for unnecessary or inferior products, repairs, or replacements. Worse, the workers may claim to have used more supplies or performed more work than was anticipated, and demand more money. Be sure to verify their license and business legitimacy, and get a signed, written estimate (and contract, should you decide to hire the person), before work starts.

## Imposter or Distraction Burglary

Sometimes scamsters impersonate utility, government, or commercial reps to gain access to your home, cash, or personal property. Always verify their legitimacy before allowing entry. Occasionally, scamsters may try to engage you in conversation at the front door so an accomplice can burglarize your home while you are distracted (and these teams may even use children to gain your trust.) Also — keep your doors and garage locked, even while working in your yard.



## Life Insurance Products

Some life insurance products, such as variable or deferred annuities, are marketed as solid investment products, although they provide questionable future benefits for seniors and charge very high premiums. These products usually pay large up-front commissions for the salesperson. They may have high withdrawal penalties if the annuity is cancelled before maturity, making them unsuitable for most seniors. Worse, some salespersons steer seniors away from existing low cost policies into higher cost annuity policies that, if analyzed as a financial investment, actually offer less in future benefits, except to the salesperson.

## Medicare Fraud

Medicare fraud takes several forms. Sometimes patients get charged for services that Medicare already covers, so verify that all charges, including co-payments, are rightfully yours to pay. Don't carry your Medicare card unless you need it for a medical appointment. NEVER give your Medicare number to anyone except your health care providers. Avoid health care providers who tell you something is *not usually* covered, but *they* can get Medicare to pay for it.

Medicare is often billed for services that were never provided, costing taxpayers millions of dollars per year in fraudulent charges. Always review your Medicare Summary Notice, and make sure you received all of the services/items listed. Report errors and concerns to the Medicare Administrative Contractor listed on the Medicare Summary Notice, and report suspected Medicare fraud to the U.S. Department of Health and Human Services (see page 15). Also, safeguard your own medical privacy by never allowing anyone, except appropriate health care professionals, to review your medical records or recommend medical services.

## Mortgage and Foreclosure Fraud

Predatory mortgage lending involves a wide array of abusive practices and usually impacts borrowers with weak or blemished credit records. Abuse includes pressuring consumers into signing loan agreements they cannot afford, and convincing consumers to sign loan agreements without reading them. Fraud may also include undisclosed or excessive interest, fees, prepayment penalties, balloon payments, bait and switch tactics, repetitive offers to refinance, or other inappropriate practices. Before you sign loan documents, read the fine print, and verify the legitimacy of the salesperson and company (utilize **Check Before You Invest**, page 11). Report suspicions to the appropriate licensing agency.

Foreclosure fraud can occur when homeowners facing foreclosure are tricked into believing that they can save their home by transferring the deed to a third party, who promises to pay the up-front costs and sell the house back to them when they can afford it. The third party profits by re-mortgaging the property, and sometimes then allows the property to go into default a second time. The original owners lose everything. If you are facing foreclosure, investigate payment options with your loan company and don't sign your property away.

## Online Purchases and Online Escrow Fraud

Be cautious when making online purchases. Online scams include phony auctions, phony online escrow companies, or phantom merchandise. Don't give personal or financial information over the web (or phone), unless it's via a secure site and **you** initiated the contact. Also, credit card companies provide better consumer protection than cashier's checks, debit cards, or checks which draw cash directly from your account.

## Ponzi and Pyramid Schemes

An unknown company offers high investment returns from a plausible-sounding but vaguely described business. Such schemes are often spread by word of mouth through churches, ethnic groups or professional affiliations, frequently in an atmosphere of secrecy. The formula is simple: promise high returns to new investors and use the money to pay previous investors. These schemes always collapse — leaving most of the participants with a financial loss.

## Sweepstakes and Lottery Winners

A call, email, or letter (sometimes with an attached “check”) proclaims that you just won a sweepstakes (for example, the Canadian lottery), even though you never bought a ticket! You must transfer funds or send a cashier’s check to pay taxes or legal fees (or submit bank information) before the winnings can be claimed...Don’t respond! It is ILLEGAL for legitimate sweepstakes to require funds (other than ticket purchase) before paying winnings.

## “Sweetheart Swindle”

An older person is befriended by a younger person who pretends to truly care or expresses romantic interest, and then needs cash for medical bills or other expenses...Don’t fall for it!

## Phishing

Phishers create authentic-looking e-mails, text messages, and Internet pages to look exactly like the real thing, but these fraudulent devices try to entice unsuspecting people into disclosing personal or financial information (such as credit card details or passwords.) If you did not initiate the contact, DO NOT provide any personal information via e-mail or by telephone! If the contact appears to be legitimate, verify the company’s customer service number and call; do not respond directly to the

e-mail or use the phone number listed in the e-mail, which might be bogus.

## Viatical and Life Settlement Investment Scams

Terminally ill or elderly people sell the death benefit of their life insurance at a discount for cash. A broker then sells shares to investors; each to receive a proportionate share of the death benefit when the insured person dies. Often these are promoted as “guaranteed,” but actually are extremely risky. Investors rely completely on the broker’s company to find the policy, obtain ownership of the death benefit, pay the premiums, track the status of the insured person, and pay off the investment. Risk is also increased because precise dates of death cannot be predicted, all insurance policies are contestable for two years after being issued (an insurance company can refuse to pay death benefits for a variety of reasons), policies may have been fraudulently obtained, and all premiums must have been paid or the policy is cancelled. Most companies have no proven track record of paying premiums or actually paying off on the investments when they become due. Other similar future cash windfalls (for example, insurance settlements or lottery winnings) have similar high risks.

## Wrong Numbers and Stock Tips Scams


People receive a “misdialed” call from a stranger who leaves a hot investment tip. The message sounds as if the caller didn’t realize that he/she was leaving it on the wrong answering machine. Con artists may also send similar fraudulent e-mails or faxes. If you buy the stock, its price rises. The con artists then “dump” the stock and make a profit, but the stock price rapidly falls and the investor loses.

# Investor Self-Defense

## A Critical Step In Wise Investing Is To Investigate Before You Invest!

### Before You Invest

- **How much risk are you are willing to tolerate?** Remember – only invest what you can afford to lose!
- **Does the investment you are considering meet your needs?** Ask yourself questions like: What are my future cash needs? Does this investment allow me to access funds to meet future cash needs without significant penalties? What are the tax implications of the investment? What other investment options are available to me? Do I prefer to pay for investment services through a fixed fee, a commission, charge per transaction fee, a percentage of assets in my account, or a combination?
- **Never meet with a salesperson alone in your home and don't rush into filling out or signing documents.** Do not disclose your financial information, social security number, or other personal information until you are confident of the legitimacy of the person and the security of your information.
- **Ask** your attorney, accountant, stockbroker, financial advisor, or other licensed professional about the investment, and discuss options with friends and family.
- **Ask** if the salesperson receives compensation from other sources if you buy a particular stock, mutual fund, bond, annuity, or other investment they recommend. Do they disclose potential conflicts of interest and other sources of commission? Will they put in writing whether they have any conflicts of interest?



Will your investment be in an advisory account or a brokerage account? Different levels of consumer protection and disclosure may apply, depending upon the type of investment account.

### Be Wary of Anything That Requires "Immediate" Action

Turn down any investment with high-pressure sales tactics or warnings like "you must act now" or "tomorrow will be too late." It is far better to review an investment and possibly miss an opportunity than it is to make an uninformed decision and lose your money. If the person offering you an investment won't give you time to investigate, something is fishy!

### Don't Be A "Courtesy Victim"

Fraud can be stopped – don't let others take advantage of you just because you have good manners! It is not impolite to simply say that you are not interested or that you make it a policy to never do business over the phone. When in doubt about a sales call or personal visit, just say NO!

## Check Credentials

Make sure the people and firms who make money from your investments have proper credentials **BEFORE** entering into financial relationships with them. Ask advisors and salespeople to fill out the **“Check Before You Invest”** form (see page 11) so you can verify their licenses, work history, background, company, and the investment itself.

Contact the CA Department of Corporations for information about brokers, investment advisers, financial planners, mortgage bankers/lenders, payday lenders, and their companies. Contact the CA Department of Insurance for information on insurance salespeople, their companies, and annuities. Contact the CA Department of Real Estate for information about realtors, mortgage brokers, and mortgage companies (see pages 13-16 for agency information). Staff can also refer you to other licensing agencies as appropriate.

## Review Information and Ask Questions

Request and review written information – this includes risks, obligations, and all costs associated with the investment, as well as full disclosure about commissions, sales charges, maintenance or service charges, transaction or redemption fees, and penalties.

Ask questions and be sure you understand all terms and conditions before signing. Never invest in something that you don’t understand. Be wary of any person who promises to “take care of everything for you.” If salespeople do not want to give you information, it is highly likely they are hiding something.

## Report Fraud and Abuse

Don’t let embarrassment or fear stop you from reporting fraud or abuse. If you have any doubts about an investment, or feel that you may have been a victim of fraud, PLEASE report such concerns immediately. Protect yourself and help protect others from fraud!



### Remember:

- Confirm that a salesperson and company are properly licensed and registered
- Get the facts before investing
- Identify possible “red flags” associated with the investment
- Locate other available resources
- Get information on current scams targeting seniors



### Before making any investment, follow the 4 C’s:

**Call** us first! Toll-Free **1-866-ASK-CORP**  
(1-866-275-2677)

TTY **1-800-735-2922**

**Consider** all your options

**Compare** the investment to others

**Consult** with someone you trust



# Safeguarding Your Info. . .



## Protect Yourself If Your Personal Information Is Compromised:

If your Social Security number, driver's license number, Medicare number, or a financial account number is compromised, take steps to protect yourself from identity theft.

### If your Social Security or Medicare card or number is stolen...

If you suspect that someone else is using your Social Security number for work or some other purpose, or if you have received notice from the Internal Revenue Service of unreported taxable income that is not yours, or if you suspect that your Medicare number is being improperly used, contact the U.S. Social Security Administration (see page 16).

### If your credit card is lost or stolen...

Immediately contact the appropriate credit card provider, and cancel the credit card. By law, once you report the loss or theft, you have no further responsibility for unauthorized charges.

If you have reason to believe you were a victim of identity theft, contact any one of the three major credit card bureaus below to initiate a "fraud alert" to stop someone else from opening new credit accounts in your name. The initial fraud alert stays active for 90 days, and you will not be charged for this fraud alert service.

- Trans Union . . . . . 1-800-680-7289
- Experian . . . . . 1-888-397-3742
- Equifax. . . . . 1-800-525-6285

Request a copy of your credit report from one of the three bureaus listed above. Review it carefully: watch for accounts you don't recognize (especially new accounts), suspicious charges, or any addresses where you've never lived.

### If your checks, ATM card or bank account information are lost or stolen...

Immediately notify your financial institution (bank, credit union, etc.) to stop payments and ask your bank to notify the check verification company it uses. Follow up in writing (send letter by certified mail, return receipt requested.) Depending on circumstances, the bank may recommend that you change your passwords so the bank can monitor the account for possible fraud, or may recommend you close your account(s). If needed, open a new account with a new password. (DO NOT use such things as your mother's maiden name, birth dates, phone numbers, consecutive numbers, or the last four digits of your Social Security number for any password!)

Contact the major check verification companies (Toll-Free):

- TeleCheck . . . . . 1-800-710-9898
- Certegy, Inc. . . . . 1-800-437-5120

Contact **SCAN** to find out if bad checks have been passed using your name or account:

- SCAN . . . . . 1-800-262-7771

**If your Driver’s License or DMV-issued ID card is lost or stolen...**

Immediately go in person to your local Department of Motor Vehicles office and apply for a replacement Driver’s License/ID card. Then request that DMV place a fraud alert on your license number.

Contact the  
**DMV Toll-Free Fraud Hotline** . .1-866-658-5758  
**Email** . . . . . [DLFraud@dmv.ca.gov](mailto:DLFraud@dmv.ca.gov)

If someone is using your Driver’s license/ID card number as their ID, contact your local DMV office for an appointment. You will need to prove your identity, so bring current documents such as a passport, proof of citizenship or naturalization, or a U.S. military photo ID. Also bring copies of the police report, bills, and other evidence which demonstrate your identity was stolen. If you meet DMV’s identity theft requirements, DMV will then issue you a new driver license/ID card number.

**If you think an identity thief has changed your address to steal your mail...**

Notify the nearest U.S. Postal Inspector (listed under U.S. Government in the white pages of your telephone directory) or go to [www.usps.com/websites/depart/inspect](http://www.usps.com/websites/depart/inspect)

**If you suspect Medicare fraud...**

Contact the  
**U.S. Department of Health & Human Services Fraud Hotline** . . . . . 1-800-447-8477  
to report Medicare fraud, waste or abuse.

**If your identity is stolen...**

Under California law, you can report identity theft to your local police department. Provide as much information on the theft as possible, including copies of your credit reports and other items related to identity theft. (Black out other information, such as legitimate purchases, not related to the identity theft.) Ask them to issue a police report, and be sure to get a copy, because you will need to give copies to creditors and the credit bureaus. Provide the police with any new evidence you collect to add to your report. Be aware that untangling identify theft can take a long time.

For more information, see “Organizing Your Identity Theft Case” by the Identity Theft Resource Center, available at [www.idtheftcenter.org/vg106.shtml](http://www.idtheftcenter.org/vg106.shtml)

**For further assistance...**

Contact the  
**California Privacy Protection/Identity Theft Hotline** . . . . . 1-866-785-9663  
or the  
**U.S. Federal Trade Commission Identity Theft Hotline** . . . . . 1-877-438-4388

# Annuity Purchases

An annuity is a complex financial product with widely varying fees, costs, and features. Make sure you understand how the annuity works, what fees and charges you will pay, and all terms and conditions of the contract. Invest only what you can afford to “tie-up” and make sure it suits both your investment needs and risk tolerance. Comparison shop before you buy. Discuss the purchase with someone you trust in addition to the person selling you the annuity.

- **“Guaranteed” annuities are scams!** Unlike certificates of deposits (CDs), annuities are NOT guaranteed by any government agency. Annuities are only as safe as the insurance company that sells them. Check out the financial strength of the company at [www.insurance.ca.gov](http://www.insurance.ca.gov) **BEFORE** you purchase any annuity.
  - **“Surrender charges” are fees for withdrawing money before the maturity date.** What are the surrender charges and how long is the surrender period? (Five, ten, even twenty years is not uncommon. Can you afford to have money inaccessible that long?)
  - **Watch out for “introductory” or “teaser” interest rates (usually good for one year or less)** – these rates may be significantly higher the first year than for the following years.
  - **“Degree of risk” varies depending on the type of annuity.** Is the annuity fixed, variable or indexed? Understand the risks for the annuity you are buying – for example, some annuities are tied to the stock market and involve a high degree of risk.
  - **Commissions for annuities may be so high that the agent will want to sell you a specific product even if it isn’t the best investment tool for you.** Find out the amount of the agent’s commission. Beware of agents who don’t want to answer this question!
  - **Cashing in one annuity to purchase another may not be in your best interest.** You may be giving up benefits in the older annuity that the replacement won’t have. Make sure the benefits outweigh all the costs, and that the salesperson is not the prime beneficiary.
  - **Be aware that some, but not all, annuities provide a death benefit.** Compare death benefits and make sure you know what will happen to the proceeds upon your death.
  - **NEVER meet with a salesperson alone in your home and don’t rush into filling out or signing documents.** NEVER purchase an annuity to try to qualify for Medi-Cal.
  - **California Law gives you a 30-day “free look” so you can review an annuity or life insurance purchase with trusted friends, relatives, or professionals.** Return the contract if you decide it isn’t right for you!
  - **Other questions to ask before you buy an annuity:** Does this meet **my** needs? What liquid assets (cash) will I need in the future? What are the tax implications?
- To check on an agent and insurance company status...**  
Contact the  
**California Department of Insurance**  
**Consumer Hotline . . . . . 1-800-927-HELP**  
(1-800-927-4357)

# Reverse Mortgages



Reverse mortgages allow seniors (ages 62 and up) to convert their home equity into tax-free cash while retaining the title to their homes. Unlike “regular” mortgages, reverse mortgages give payments to the borrower in lump sum or periodic payments, often not having to be repaid during a senior’s lifetime.

## **A reverse mortgage may be appropriate for seniors who:**

- Need more money to live on,
- Want to remain in their home indefinitely, but
- Have no assets other than their home equity, &
- Are not concerned about leaving their home to children or other heirs.

However, reverse mortgages are expensive, involving higher fees and costs than other types of mortgages. Money received by a reverse mortgage may be considered “income” under certain government programs, making seniors ineligible for other types of benefits.

Reverse mortgages are sometimes offered in high-pressure solicitations that emphasize positives while concealing or evading discussion of costs, fees, and details. Do not take out a reverse mortgage in order to finance other investments. In the worst cases, reverse mortgages are offered by salespeople who want seniors to invest in unsuitable or even fraudulent investments. Beware of any salesperson who uses high-pressure tactics, recommends a reverse mortgage as a simple “one-size-fits-all” solution or who recommends that you commit to a reverse mortgage without exploring other options first. Both FHA (Home Equity Conversion Mortgage)

and Fannie Mae (Home Keeper) have reverse mortgage programs, and some lenders may also have other reverse mortgage options.

**Do not commit to a reverse mortgage until you are sure it is right for you.** Make sure you understand its terms and costs clearly. Find out how the repayment amount, interest, and fees will be computed. Explore other options. Call the CA Department of Corporations to verify the salesperson and company are properly licensed. Contact your local Area on Aging agency (find yours by calling Toll-Free 1-800-677-1116) for information about senior programs that supply rebates for energy costs, home and chore maintenance, property tax and/or health cost assistance.

**NOTE:** *Recent California legislation, effective January 1, 2007, prohibits lenders from requiring the purchase of an annuity as a condition of obtaining a reverse mortgage loan, mandates counseling from a housing counselor prior to final acceptance of the loan, and requires translation of the loan agreement into the applicant’s primary language.*

# Check Before You Invest

**Before investing**, have the person offering products/services **complete** this form, **sign** it, and **return** it to you. **Verify** both the person and company are **licensed** and **authorized** to sell/offer the specific type of product, by **contacting** the appropriate licensing agency (see reverse side for agency contact information). **Keep** the completed form for your records.

## Seller/Agent and Company Information (please print clearly)

Seller/Agent Name \_\_\_\_\_

Company/Business Name \_\_\_\_\_

Company/Business Address \_\_\_\_\_

Phone Number(s) \_\_\_\_\_ Email \_\_\_\_\_

## ✓ I am offering the following product(s) and/or services (check all that apply)

- |   |   |   |  |
|---|---|---|--|
| <input type="checkbox"/> <b>Investment</b>          | <input type="checkbox"/> Securities                 | <input type="checkbox"/> Mutual Funds       | <input type="checkbox"/> IRAs            |
|   | <input type="checkbox"/> Private Placements         | <input type="checkbox"/> Oil & Gas/Minerals | <input type="checkbox"/> Other _____     |
| <input type="checkbox"/> <b>Financial Planning</b>  | <input type="checkbox"/> Investment Advice          | <input type="checkbox"/> Financial Planning | <input type="checkbox"/> Wealth Creation |
| <input type="checkbox"/> <b>Insurance</b>           | <input type="checkbox"/> Life                       | <input type="checkbox"/> Annuities          | <input type="checkbox"/> Viaticals       |
|   | <input type="checkbox"/> Other _____                |   |  |
| <input type="checkbox"/> <b>Real Estate</b>         | <input type="checkbox"/> Refinance                  | <input type="checkbox"/> Reverse Mortgage   | <input type="checkbox"/> Equity Loan     |
|   | <input type="checkbox"/> Investment (specify) _____ |   |  |
| <input type="checkbox"/> <b>Legal Services</b>      | <input type="checkbox"/> Wills                      | <input type="checkbox"/> Living Trust       | <input type="checkbox"/> Estate Planning |
|   | <input type="checkbox"/> Other _____                |   |  |
| <input type="checkbox"/> <b>Accounting</b>          | <input type="checkbox"/> Tax Preparation            | <input type="checkbox"/> Other _____        |  |
| <input type="checkbox"/> <b>Contractor Services</b> | <input type="checkbox"/> Home Repair                | <input type="checkbox"/> Remodeling         | <input type="checkbox"/> Other _____     |

## ✓ I am currently licensed by

- |   |                      |
|---|----------------------|
| <input type="checkbox"/> CA Department of Corporations        | CRD #: _____         |
| <input type="checkbox"/> CA Department of Corporations        | IARD/CRD #: _____    |
| <input type="checkbox"/> CA Department of Insurance           | License #: _____     |
| <input type="checkbox"/> CA Department of Real Estate         | DRE License #: _____ |
| <input type="checkbox"/> CA State Bar Association             | State Bar #: _____   |
| <input type="checkbox"/> CA Board of Accountancy              | CPA License #: _____ |
| <input type="checkbox"/> CA State Contractors Licensing Board | License #: _____     |
| <input type="checkbox"/> Other                                | License #: _____     |

## ✓ I certify that I am making these representations truthfully in order to do business with you.

Signature \_\_\_\_\_ Date \_\_\_\_\_





## Before Investing or Getting Advice

have the person offering products/services complete this form, sign it, and return it to you.



## Verify

both the salesperson/advisor and their company are licensed and authorized to sell/offer the specific type of product. Remember to keep this completed form for your records.



## Contact

the appropriate California licensing agency below (or call the California Department of Corporations for referral to other agencies.)

<b>CA Department of Corporations</b>	Toll-Free <b>1-866-ASK-CORP (1-866-275-2677)</b> TTY <b>1-800-735-2922</b> Website <b><a href="http://www.corp.ca.gov">www.corp.ca.gov</a></b>
<b>CA Department of Insurance</b>	Toll-Free <b>1-800-927-HELP (1-800-927-4357)</b> Website <b><a href="http://www.insurance.ca.gov">www.insurance.ca.gov</a></b>
<b>CA Department of Real Estate</b>	Fresno <b>(559) 445-5009</b> Los Angeles <b>(213) 620-2072</b> Oakland <b>(510) 622-2552</b> San Diego <b>(619) 525-4192</b> Website <b><a href="http://www.dre.ca.gov">www.dre.ca.gov</a></b>
<b>State Bar of California</b>	<b>License verification &amp; complaints</b> Toll-Free <b>1-800-843-9053</b> <b>Senior Information Hotline</b> Toll-Free <b>1-888-460-7364</b> Website <b><a href="http://www.calbar.ca.gov">www.calbar.ca.gov</a></b>
<b>CA Board of Accountancy</b>	Sacramento <b>(916) 263-3680</b> Website <b><a href="http://www.dca.ca.gov/cba">www.dca.ca.gov/cba</a></b>
<b>CA State Contractors Licensing Board</b>	Toll-Free <b>1-800-321-2752</b> Website <b><a href="http://www.cslb.ca.gov">www.cslb.ca.gov</a></b>

# Resource Guide

Agency	Responsibilities	Contact Information
Adult Protective Services (APS)	Assists elderly and dependent adults, investigates reports of physical, emotional and/or financial abuse.	To locate APS in your County, see listing in the white pages of your telephone directory under "County Government."
CA Board of Accountancy	Licenses & Regulates: <ul style="list-style-type: none"> <li>• Certified Public Accountants</li> <li>• Public Accountants</li> <li>• Accounting Firms</li> </ul>	(916) 263-3680 <a href="http://www.dca.ca.gov/cba">www.dca.ca.gov/cba</a>
CA Department of Consumer Affairs	Licenses & Regulates: various professions including doctors, dentists, contractors, funeral and cemetery providers, auto repair technicians and repair shops, and cosmetologists.	Toll-Free 1-800-952-5210 <a href="http://www.dca.ca.gov">www.dca.ca.gov</a> <b>Privacy Protection/Identity Theft</b> Toll-Free 1-866-785-9663 <a href="http://www.privacy.ca.gov">www.privacy.ca.gov</a> <b>Cemetery &amp; Funeral Bureau</b> (916) 574-7870
CA Department of Corporations	Licenses & Regulates: broker-dealers, investment advisors; securities, franchises, off-exchange commodities; independent escrow agents; consumer and commercial finance lenders, mortgage bankers, and check sellers.	<b>SAIF</b> (Seniors Against Investment Fraud); <b>TAPS</b> (Troops Against Predatory Scams) programs; and public inquiries Toll-Free 1-866-ASK-CORP (1-866-275-2677) TTY 1-800-735-2922 <a href="http://www.corp.ca.gov">www.corp.ca.gov</a>
CA Department of Health Services	Licenses & Regulates: various public health and medical care services, including Medi-Cal, nursing homes, and long-term care.	<b>Medi-Cal Fraud</b> Toll-Free 1-800-822-6222 <a href="http://www.stopmedi-cal-fraud.dhs.ca.gov">www.stopmedi-cal-fraud.dhs.ca.gov</a> <b>Nursing Home Complaints</b> Toll-Free 1-800-236-9747 <b>Partnership for Long-Term Care</b> Toll-Free 1-800-227-3445 <a href="http://www.dhs.ca.gov">www.dhs.ca.gov</a>
CA Department of Insurance	Licenses & Regulates: insurance agents and brokers, insurance company financial profiles, viatical settlements and annuities.	Toll-Free 1-800-927-HELP (1-800-927-4357) <a href="http://www.insurance.ca.gov">www.insurance.ca.gov</a>

Agency	Responsibilities	Contact Information
CA Department of Justice–Office of the Attorney General	Oversees charities and commercial fundraisers, medical fraud, sweepstakes, mail fraud, and identify theft.	Toll-Free 1-800-952-5225 <a href="http://www.caag.state.ca.us">www.caag.state.ca.us</a> <b>Identity Theft Victims</b> Toll-Free 1-888-880-0240
CA Department of Real Estate (DRE)	Licenses & Regulates: real estate brokers, real estate salespersons, and real estate mortgage lender/broker activities.	(559) 445-5009 Fresno (213) 620-2072 Los Angeles (510) 622-2552 Oakland (619) 525-4192 San Diego <a href="http://www.dre.ca.gov">www.dre.ca.gov</a>
CA Department of Social Services	Provides information about social services, including cash aid, food, transportation, housing, health, residential care, day care, foster care, adoption, disaster services, refugee services, and in-home care.	<b>Elder Abuse Complaints</b> Toll-Free 1-800-722-0432 <a href="http://www.dss.cahwnet.gov">www.dss.cahwnet.gov</a>
CA Department of Veterans Affairs	Provides benefits and services to CA veterans, including benefits to dependents and survivors.	Toll-Free 1-800-952-5626 <a href="http://www.cdva.ca.gov">www.cdva.ca.gov</a>
CA Medical Board	Inquiries or complaints regarding physicians.	Toll-Free 1-800-633-2322 <a href="http://www.medbd.ca.gov">www.medbd.ca.gov</a>
CA State Contractors Licensing Board	Licenses & Regulates: 43 classifications of contractors and home improvement sales.	Toll-Free 1-800-321-2752 <a href="http://www.cslb.ca.gov">www.cslb.ca.gov</a>
Consumer Credit Reporting – “Opt-Out”	Information to remove your name from lists used by creditors and insurers to make offers of credit or insurance.	Toll-Free 1-888-567-8688 TDD 1-877-730-4105 <a href="http://www.optoutprescreen.org">www.optoutprescreen.org</a>
Elder Financial Protection Network (EFPN)	A coalition of financial institutions, law enforcement and social service agencies committed to preventing financial abuse of the elderly and dependant adults.	San Francisco, CA (415) 897-9555 <a href="http://www.bewiseonline.org">www.bewiseonline.org</a>
Eldercare Locator Service	Provides nationwide assistance to help older persons, their families, and caregivers, and referrals to local agencies.	Toll-Free 1-800-677-1116 <a href="http://www.eldercare.gov">www.eldercare.gov</a>

Agency	Responsibilities	Contact Information
Medicare	For full description see U.S. Dept. of Health & Human Services listing below.	<b>Medicare Information Hotline</b> Toll-Free 1-800-633-4227
National Association of Securities Dealers (NASD)	Licenses & Regulates: individuals and firms dealing in securities, establishes rules, and conducts audits. Also regulates equities, bonds, securities futures and options.	Toll-Free 1-800-289-9999 <a href="http://www.nasdr.com">www.nasdr.com</a>
National Center on Elder Abuse (NCEA)	Information and links to services and information on crimes against the elderly, including financial exploitation.	(202) 898-2586 <a href="http://www.elderabusecenter.org">www.elderabusecenter.org</a>
National Center for Victims of Crime	Provides national advocacy for victims of all crimes. Informative brochures and hotline numbers available.	Toll-Free 1-800-394-2255 <a href="http://www.ncvc.org">www.ncvc.org</a>
National Foundation for Credit Counseling	Assists with credit problems and creditors.	Toll-Free 1-800-388-2227 <a href="http://www.nfcc.org">www.nfcc.org</a>
Phone Busters – Canadian Anti-Fraud Call Center	Report Canadian lottery scams, identity theft, and telemarketing crimes. Ontario Police refer calls to law enforcement.	Toll-Free 1-888-495-8501 <a href="http://www.phonebusters.com">www.phonebusters.com</a>
Privacy Rights Clearinghouse	Information on privacy issues and identity theft.	(619) 298-3396 <a href="http://www.privacyrights.org">www.privacyrights.org</a>
Senior Legal Hotline	Provides seniors (over age 60) with fast, accurate advice on any legal subject (by phone and internet) and makes referrals.	<b>Legal Assistance</b> Toll-Free 1-800-222-1753 <b>Other (not legal)</b> (916) 551-2145 <a href="http://www.seniorlegalhotline.org">www.seniorlegalhotline.org</a>
State Bar of California	Information on finding an attorney, filing a complaint against an attorney, reimbursement for attorney misconduct, and referrals for making a simple will.	<b>License Verification &amp; Complaints</b> Toll-Free 1-800-843-9053 <b>Senior Information Hotline</b> Toll-Free 1-888-460-7364 <a href="http://www.calbar.ca.gov">www.calbar.ca.gov</a>
U.S. Department of Health & Human Services	Report fraud, waste or abuse, including Medicare, child support, and food stamps, and complaints about employees and contractors. Info about Medicare and up-to-date information regarding the health plans in your area.	<b>Fraud Hotline</b> Toll-Free 1-800-447-8477 <a href="http://www.oig.hhs.gov">www.oig.hhs.gov</a> <b>Medicare Information Hotline</b> Toll-Free 1-800-633-4227 <a href="http://www.medicare.gov">www.medicare.gov</a>

<b>Agency</b>	<b>Responsibilities</b>	<b>Contact Information</b>
U.S. Department of Veterans Affairs	Provides benefits and services to U.S. veterans, including dependents and survivors.	<b>VA Benefits</b> Toll-Free 1-800-827-1000 TDD 1-800-829-4833 <a href="http://www.va.gov">www.va.gov</a>
U.S. Federal Trade Commission (FTC)	Consumer Protection: abusive lending, truth in lending, credit cards, identity theft, franchises, businesses, telemarketing, funerals and cemeteries.	Toll-Free 1-877-FTC-HELP (1-877-382-4357) <a href="http://www.ftc.gov">www.ftc.gov</a>
Identity Theft Hotline	Information to help identity theft victims resolve financial and other problems, and file complaints.	Toll-Free 1-877-438-4338 <a href="http://www.consumer.gov/idtheft">www.consumer.gov/idtheft</a>
"Do Not Call" Registry	Register phone numbers to reduce telemarketing.	Toll-Free 1-888-382-1222 TTY 1-866-290-4236 <a href="http://www.donotcall.gov">www.donotcall.gov</a>
CAN-SPAM	Report spam emails.	<a href="mailto:spam@uce.gov">spam@uce.gov</a>
U.S. Internal Revenue Service (IRS)	Information on legitimate charities, tax-related fraud schemes, fraudulent federal tax returns, and other information.	<b>Hotline for Charities Information</b> Toll-Free 1-877-829-5500 <b>Hotline for Tax Fraud Reporting</b> Toll-Free 1-800-829-0433 <a href="http://www.irs.gov">www.irs.gov</a>
U.S. Postal Service (USPS) Inspector General	Investigates identity theft involving the U.S. mail: if mail was stolen, your mailing address was fraudulently changed, or U.S. mail was used in an identity theft scheme.	Toll-Free 1-800-654-8896 <a href="http://www.usps.gov">www.usps.gov</a>
U.S. Securities and Exchange Commission (SEC)	Regulates: national securities exchanges (e.g. NYSE and NASDAQ), investment companies (e.g. mutual funds), investment advisors (managing over \$25M in client assets).	Toll-Free 1-800-732-0330 <a href="http://www.sec.gov">www.sec.gov</a>
U.S. Social Security Administration	Provides economic protection for all Americans, social security information, fraud prevention related to social security.	<b>Information on Earnings/Benefit Status</b> Toll-Free 1-800-772-1213 TDD 1-800-325-0778 <b>Report Social Security Fraud</b> Toll-Free 1-800-269-0271 <a href="http://www.ssa.gov">www.ssa.gov</a>





Contact the California Department of Corporations for additional copies of this booklet, the "Check Before You Invest" form, to file a complaint, for information about becoming a SAIF volunteer, and to arrange for presentation speakers.

**CALIFORNIA DEPARTMENT  
OF CORPORATIONS**

Toll-Free **1-866-ASK-CORP**  
**(1-866-275-2677)**

TTY **1-800-735-2922**

Online **[www.corp.ca.gov](http://www.corp.ca.gov)**

**DEPARTMENT OF  
CORPORATIONS**

State of California  
Business, Transportation and Housing Agency